

RESOLUTION NO. 2022- 432

A RESOLUTION APPROVING VINELAND REVOLVING
LOAN FUNDS FOR GHOSTLIGHT THEATRICAL
PRODUCTIONS, LLC (OR ASSIGNS).

WHEREAS, the Vineland Revolving Loan Fund, LLC Committee has submitted a proposal dated September 27, 2022, for use of Vineland Revolving Loan funds for Ghostlight Theatrical Productions, LLC (or assigns); and

WHEREAS, it is considered to be in the best interest of the City of Vineland and the community in particular that Vineland Revolving Loan Funds be utilized for the above-mentioned project; now, therefore,

BE IT RESOLVED by the City Council of the City of Vineland that said Council does hereby approve the use of Vineland Revolving Loan Funds for the following project, in accordance with the proposal submitted by the Vineland Revolving Loan Fund, LLC Committee:

To: Ghostlight Theatrical Productions, LLC (or assigns) \$100,000.00

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute all documents associated with this loan.

Adopted:

President of Council

ATTEST:

City Clerk




ECONOMIC DEVELOPMENT
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MEMORANDUM

TO: City Council President and Members 

FROM: Vineland Revolving Loan Fund, LLC

SUBJECT: **Applicant:** Ghostlight Theatrical Productions, LLC
Loan Amount: \$100,000.00

DATE: September 27, 2022

Dear Council President Arthur, Councilmen Acosta, Franceschini, Spinelli, and Vargas:

On behalf of the Vineland Revolving Loan Fund Committee, please accept this letter recommending a commitment be given to the above applicant for a Vineland Revolving Loan Fund, LLC loan in the amount as stated herein above.

Please note that the committee finds that the purpose of the loan meets the criteria set forth in the Statute made and provided governing Urban Enterprise Zones. The Committee further finds that the loan will promote economic development, creation/retention of jobs, and/or tax ratable(s) that will benefit the City of Vineland.

Further, please note that the loan would be properly protected in that the pledged collateral has a net value which equals or exceeds the amount of the requested funding.

Respectfully submitted,

Sandra Forosisky
Director of Economic Development

SF/fd

cc: Frank DiGiorgio
file





Memo

To: Vineland Revolving Loan Fund

From: Sandy Forosisky *SF*

Date: September 22, 2022

Re: Ghostlight Theatrical Productions LLC – Landis Theater - \$100,000

For the previous two years, the VRLF has approved \$100,000 each year to assist Ghostlight Theatrical Productions LLC pay their annual taxes and electric bills. The theater opened during COVID which placed an added burden on an already challenged operation. The loan, in which repayment is based on cash flow, allowed them to keep the doors open and provide a much needed entertainment venue for the City. Prior to Ghostlight Theatrical Productions taking over the theater, the Vineland Revolving Loan Fund provided \$100,000 each year to the Vineland Development Corp. to manage the theater. In addition to this, the Economic Development Department spent many hours managing the theater box office in addition to paying a consultant \$3,000 per month for managing shows. The facility was also tax exempt. Currently, approximately \$28,000 is now paid to the City in taxes from the \$100,000 loan and the VDC is no longer spending any funds on the theater and the Department of Economic Development is no longer providing staff support.

The total revenue for operations at the theater, including ticket sales, food and beverage in 2021 was \$556,290. For the first 8 months of 2022, total revenue has exceeded the 12 months of 2021 at \$558,788. The total net income/loss for 2021 was a loss of \$367,119. For the first 8 months of 2022 that loss has been reduced to \$160,756. It is also worth mentioning that the owner, Ray Mamrack, has personally contributed \$150,000 to operations this past year and was able to pay down \$40,500 on the outstanding principal on his primary mortgage. Other notable expenses are Independent Contractor Expense for 2021 at \$134,811 and for 2022 at \$43,300. These costs relate to the renovations of the first floor restaurant which is expected to open before the end of the year. Due to cash flow issues, work is only being done on weekends when a family member contractor is available to assist with the renovations. This has reduced the renovations costs substantially.

The assistance from the VRLF is necessary to keep the theater operational. It has been through several operators and has never shown the success that this operator has shown to date as far as having events on a regular basis and paying for all repairs to the theater. The upstairs was converted into a second entertainment venue with a bar and stage and is gaining popularity with its bands and karaoke nights. The theater has a regional draw bringing people outside the area to Vineland. The owner recently purchased colored wall wash lights that are able to change colors and makes the theater very attractive at night. The theater is an anchor to our downtown. It is the east gateway to our downtown and makes a statement about our city. If not for our assistance, the risk is very real for the theater to once again go dark. This is counterproductive to all we are trying to achieve in the downtown.

These financials have improved year over year and it was always the anticipation that this assistance would allow the theater to grow and finally become sustainable. It is therefore requested that we approve another \$100,000 to assist with annual taxes and electric bills. The funding is paid directly to the City.